

SUBCHAPTER G—CONTRACT MANAGEMENT

PART M842—CONTRACT ADMINISTRATION AND AUDIT SERVICES

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[M842-A](#), Sample Postaward Conference Agenda

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Subpart M842.1—Contract Audit Services

M842.102-70 Assignment of contract audit services—specific request procedures.

(a) *Audit support services.* When required, contracting officers shall request the assistance of the VA Office of the Inspector General (OIG), Office of Audits and Evaluations, to provide pre- and post-award review and advisory services associated with the award or modification of—

(1) Federal Supply Schedule and other contracts awarded by the VA National Acquisition Center, Strategic Acquisition Center or Technical Acquisition Center;

(2) Scarce medical specialist or sharing contracts awarded under the authority of 38 U.S.C. 7409 or 8153;

(3) Claims involving such contracts;

(4) Major construction contracts awarded by the VA Office of Construction and Facilities Management (CFM) (see [M836.205-70](#), Statutory cost limitations) and claims involving such contracts; and

(5) Contracts and contract actions not listed in (a)(1) through (a)(4) to include claims; terminations for cause, convenience, or default; cost-reimbursement type contracts; in support of litigation; contracts awarded using other than full and open competition; and in the circumstances described in FAR 15.404-2(a) pertaining to requests for field pricing assistance.

(b) Contracting officers shall submit a request for audit support services for contracts identified in paragraph (a) of this section to the VA OIG at mailbox OIG52AuditSupportServices@va.gov. The VA OIG will notify the contracting officer if the request for audit support services is accepted.

(c) *Authorized external audit support services.* Contracting officers are authorized to use the audit services of the [Defense Contract Audit Agency \(DCAA\)](#) or commercial audit services through the GSA Multiple Award Schedule program as needed. Before requesting the services of DCAA or utilizing commercial audit services through the GSA Multiple Award Schedule, contracting officers shall coordinate with the VA OIG, Office of Audits and Evaluations, to determine if they are able to provide the requested audit support within the required time period. Contracting officers shall include the request for support and coordination documentation from the OIG, Office of Audits and Evaluations, in the contract file.

(d) *Other types of pre-award and post-award field support services.* Contracting officers may use the support services of other agencies (e.g., the Defense Contract

Management Agency) to the extent feasible. Examples of such services include: pre-award surveys; quality assurance and technical inspection of contract items; and review of contractors' procurement systems. Contracting officers obtaining support services from any other Government department or agency must do so on the basis of an approved and negotiated interagency support agreement. Additionally, contracting officers may request the assistance of either the VA OIG, Office of Audits and Evaluations, or the [Defense Contract Audit Agency](#) (DCAA) to provide pre- and post-award audit, review, and advisory services associated with other types of contracts or claims. Contracting officers must obtain an audit control number from the VA OIG, Office of Audits and Evaluations. For audit requests to DCAA, contracting officers shall send a formal request to conduct the audit directly to the nearest cognizant DCAA office.

(e) *Interagency agreements.* Interagency agreements are required between the VA and other Government departments or agencies for contract audit support services and require review and approval in accordance with VAAM part M801, [VAAR part 817](#) and [VAAM part M817](#).

Subpart M842.2—Contract Administration Services

M842.272 Contract clause for Government construction contract administration.

Contracting officers shall include the clause [852.242-70](#), Government Construction Contract Administration, as required by [VAAR 842.272](#) in all solicitations and contracts for construction expected to exceed the micro-purchase threshold when contract administration is delegated. The clause authorizes a designated administrative contracting officer to further delegate to a VA warranted Resident Engineer certain limited secondary delegations of contract administration. These delegated authorities will be limited as set forth in a Resident Engineer Letter of Delegation issued by the assigned contracting officer or administrative contracting officer. At no time shall the delegation exceed the designated Resident Engineer's limited warrant specified level of authority and dollar value.

Subpart M842.5—Postaward Orientation

M842.500 Scope of subpart.

This subpart establishes guidelines and requirements for planning, conducting, and documenting postaward orientation of contractors and subcontractors for the VA.

M842.502-70 Key requirements for postaward orientation.

(a) Contracting officers shall consider conducting postaward orientations based on the minimum considerations outlined in [FAR 42.502\(a\)-\(l\)](#). Postaward orientations may be especially beneficial to contractors who are small businesses (see [FAR 42.502\(i\)](#)) as they assist both Government and contractor personnel to achieve a clear

and mutual understanding of all contract requirements and identify and resolve early potential problems (see [FAR 42.501](#)). To ensure successful contract performance, contracting officers shall conduct postaward orientations for contracts at the following thresholds:

(1) For contract awards from above the SAT up to \$1 million, a formal postaward conference is not required; however, the contracting officer should conduct a postaward orientation, at a minimum, through a postaward letter in accordance with [FAR 42.504](#), if the minimum considerations as set forth in [FAR 42.502 \(a\)-\(I\)](#) warrant it.

(2) For contract awards over \$1 million, conduct the postaward orientation as a postaward conference in accordance with [FAR 42.503](#) or via a postaward letter in accordance with [FAR 42.504](#).

(3) For contract awards from \$5 million and above—a formal postaward orientation conference is required.

(b) *Specific types of contracts requiring postaward orientations.* The contracting officer shall conduct postaward orientations in accordance with [FAR 42.503](#) and [VAAM M842.503](#) for the following types of acquisitions: contracts for services (including installation and maintenance); construction (see [VAAM M836.212](#)); research and development; and complex supply requirements with intricate delivery schedules or other critical factors.

M842.503 Postaward conferences.

M842.503-1 Postaward conference arrangements.

(a) The contracting officer exercises final authority over all aspects of the postaward conference and may designate the Program Manager (PM) as postaward conference co-chairperson for services, complex supplies, and research and development contracts. See [VAAM M836.212](#), Preconstruction orientation, for guidance on construction postaward conferences.

(b) The contracting officer, as the chairperson, and the PM, as the co-chairperson, if designated, are responsible for coordinating the following—

(1) Preparing the agenda and conducting a preliminary meeting of government personnel;

(2) Determining the appropriate agenda items and scheduling the postaward conference;

(3) Reviewing the details associated with costs, schedule, risks, and performance of the contract to be discussed with the contractor;

(4) Establishing the time and place of the conference (not later than 21 calendar days after the award);

(5) Appointing a note taker to record meeting minutes;

(6) Ensuring that the appointed note taker prepares and distributes the meeting minutes of the conference to the contracting officer (for the official contract file), contractor, contracting officer's representative (COR), and others as required; and

(7) Preparing a summary report of the conference as a matter of record for the contract, documenting major issues, agreements, or disagreements.

M842.503-2 Postaward conference procedure.

(a) When a postaward conference is held, the contracting officer shall (for construction see [VAAM part M836](#) for appropriate guidance and checklist)—

(1) Participate in all postaward conferences;

(2) Prior to the conference, enter postaward conference planning notes and schedule into VA's electronic Contract Management System (eCMS);

(3) Notify other appropriate government representatives (e.g., COR, PM (if not designated as co-chairperson)) of the scheduled postaward conference date, time, and location;

(4) Hold pre-meetings with government attendees to discuss roles and to go over agenda and messaging; and

(5) Obtain contractor points of contact to include a list of key personnel (if not identified in their proposal or in the body of the contract), as well as a list of projected attendees for the postaward conference.

(b) The contracting officer shall discuss, at a minimum—

(1) Contract type;

(2) Delivery order procedures (if applicable);

(3) Contracting officer's authority;

(4) Unauthorized commitments;

(5) COR responsibilities;

(6) Security requirements;

(7) Extent of subcontracting (if applicable);

(8) Overview of contract clauses;

- (9) Special clauses or significant contract requirements;
 - (10) Quality Assurance Surveillance Plan, if applicable;
 - (11) Performance Objectives, Measures, and Standards, if applicable;
 - (12) OSHA issues and requirements, if applicable;
 - (13) Service Contract Labor Standards (Service Contract Act (SCA) Wage Determinations), if applicable;
 - (14) Flow down or special subcontractor requirements; if applicable;
 - (15) Contract change procedure;
 - (16) Issue resolution process;
 - (17) Billing, invoice approval and payment procedures;
 - (18) Any reporting requirements such as System for Award Management (SAM) or Contractor Performance Assessment Reporting System (CPARS) (e.g., Service Contracts Inventory and certain contractor Service Contract Reporting Requirements ([FAR 52.204-14](#)) and Service Contract Reporting Requirements for Indefinite-Delivery Contracts ([FAR 52.204-15](#)), if applicable;
 - (19) Use of ordering officers, if applicable;
 - (20) Deliverables requirements and schedule, if applicable; and
 - (21) Equal Opportunity for Veterans. If applicable the contracting officer shall brief or include a statement regarding the following: "This contract incorporates by reference the Equal Opportunity for Veterans clause, [FAR 52.222-35](#), enforced by the Office of Federal Contract Compliance Programs of the Department of Labor. Contractors may not discriminate against protected Veterans in recruitment, hiring, compensation, leaves of absence, or other terms, conditions or privileges of employment. Contractors with 50 or more employees must also adopt an affirmative action program for protected Veterans. The prime contractor shall include the Equal Opportunity for Veterans clause in subcontracts and purchase orders of \$150,000 or more. This description is not exhaustive, and the contractor should review the full clause at [52.222-35](#)."
- (c) For postaward orientation for contracts below \$1 million, the contracting officer or the PM shall at a minimum—
- (1) Identify the government representative responsible for administering the contract and the contracting officer;

(2) Cite any unusual or significant contract requirements;

(3) Forward a copy of the notice to the appropriate contractor personnel; and

(4) Place a copy of the written notice in the official contract file and upload a copy into eCMS in the Award Action Briefcase, and title the document "C05 Postaward / Pre-Performance Conference Minutes for Contract Number (insert contract number)."

(d) The contractor is generally responsible for conducting postaward conferences with subcontractors. However, the prime contractor may invite government representatives to a conference with the subcontractors, or the government may request the prime contractor to initiate a conference with subcontractors for complex, sensitive, or mission critical requirements.

Subpart M842.7—Indirect Cost Rates

M842.705 Final indirect cost rates.

(a)(3) When quick-closeout procedures are used as permitted by [FAR 42.708](#), the contracting officer must perform a review and validation of the contractor's data for accuracy and reasonableness of the proposed rates for negotiating the settlement of indirect costs for a specific contract.

Subpart M842.8—Disallowance of Costs

M842.801 Notice of Intent to disallow costs.

M842.801-70 Audit assistance prior to disallowing costs.

If a contracting officer determines that costs should be disallowed during the performance of a cost reimbursement, fixed-price incentive, or fixed-price redetermination contract exceeding the thresholds specified in [FAR 15.403-4](#), the contracting officer shall request audit assistance from the VA OIG at OIG52AuditSupportServices@va.gov. The VA OIG will notify the requestor if the request for audit assistance is accepted. For all other types of contracts and audit assistance requirements, and those requests the VA OIG declines to accept, the contracting officer shall process requests in accordance with [M842.102-70](#).

M842.803 Disallowing costs after incurrence.

Contracting officers may approve or disapprove contractor's vouchers for payment and if approved, process them through the servicing finance office. Such approval or disapproval must be within the limitations of the contracting officer's warrant and the contract for which the voucher is submitted must be within the contracting officer's delegation of contracting authority.

Subpart 842.12—Novation and Change-of-Name Agreements**M842.1202 Responsibility for executing agreements.**

A contracting officer, upon being notified of a successor in interest to a Government contract, or change of name of one of its contractors in accordance with [FAR 42.1203](#), shall promptly report such information to the head of the contracting activity (HCA) or designee who will consolidate and forward a notification to the Office of Acquisition and Logistics (OAL), Risk Management and Compliance Service (RMCS).

M842.1203 Processing agreements.

(a) The RMCS will designate a cognizant HCA responsible for assigning a contracting officer to take the lead for VA in preparing and executing agreements to recognize a change of name or successor in interest in accordance with [VAAR 842.1202](#). The assigned responsible contracting officer shall obtain from the contractor a list of all affected contracts, BOAs/BPAs, task orders, and delivery orders within the VA and the required documentary evidence. The contracting officer shall verify the accuracy of the list of contracts, BOAs/BPAs, task orders, and delivery orders. The designated contracting officer will draft the supplemental agreement to one of the contracts affected, and cover all applicable VA contracts that will be affected by the transfer or change of name. The supplemental agreement will contain a list of contracts affected and, for distribution purposes, the names and addresses of the VA contracting offices subject to the supplemental agreement.

(f) Contracting officers shall obtain legal review from OGC for each proposed novation and change-of-name agreement. Forward the review package consisting of all supporting agreements and documentation to the assigned OGC legal counsel for review as to legal sufficiency. The affected contracting offices of the applicable VA contracts that will be included in the supplemental agreement and affected by the transfer and novation, or change of name agreement will be provided an opportunity to review and comment on the agreement before the contracting officer provides to OGC for legal review and before execution of the agreement. The assigned responsible contracting officer will take the comments of the affecting contracting offices into consideration and provide the comments, along with the proposed agreement to OGC for use during the review.

(h) Following completion of the duly executed agreement, in accordance with [FAR 42.1203\(h\)](#), the responsible contracting officer shall prepare a [Standard Form 30](#), Amendment of Solicitation/Modification of Contract, that incorporates a summary of the agreement and attaches the complete list of contracts affected. After execution of the supplemental agreement via modification, the designated contracting office shall forward a copy of the authenticated agreement to OAL RMCS.

Subpart M842.15—Contractor Performance Information

M842.1502-70 Agency CPARS policy.

(a) The contracting officer shall serve as the Assessing Official (AO) for all CPARS eligible VA contracts, unless another position / individual is otherwise designated by the respective HCA.

(b) All VA interagency acquisitions shall specify the procuring contracting officer responsible for the acquisition and this individual shall serve as the AO, unless otherwise stated in the specific interagency agreement.

(c) The AO shall prepare a CPARS evaluation in accordance with the thresholds established in [FAR 42.1502](#). See the [CPARS website](#) for further information.

M842.1503-70 Agency CPARS procedures.

(a) The CPARS roles and responsibilities, including CPARS focal points are established in accordance with this subpart and as set forth below. HCAs shall provide further guidance on responsibilities for the roles set forth in paragraphs (1) – (6) below. Key roles in the CPARS evaluation process include:

(1) The cognizant Program Contract Office/Network Contract Office focal point is designated by each HCA.

(2) The Assessing Official (AO) is the contracting officer unless otherwise designated by the HCA in accordance with [M842.1502-70](#).

(3) The Assessing Official Representative (AOR) is filled by the COR, if applicable.

(4) The contractor representative is designated by the contractor and provided to the focal point and the AO/contracting officer.

(5) The Reviewing Official (RO) is the contracting officer's first line supervisor and serves as the individual who resolves disputes between the parties on assessments. The RO conducts the review at a level above the contracting officer required by [FAR 42.1503\(d\)](#). The ultimate decision on the performance evaluation is made by the contracting agency.

(6) The "organization" responsible and designated to assess in CPARS is the equivalent of a Program Contract Office/Network Contract Office.

(7) Agency Point of Contact (APOC) responsibilities is granted to various levels including Central Office, Service Area Office, and/or Program Contract Office/Network Contract Office for oversight and reporting purposes.

(8) The Department Point of Contact (DPOC) is at the VA HQ level only.

(b) VA focal points shall ensure that all new contract actions are registered and assigned to a contracting officer/assessing official in the system within 30 calendar days of the award date.

(c) Contracting officers/assessing officials shall enter a CPARS evaluation for newly assigned contracts/orders within 120 calendar days following the period of performance. If the potential period of performance of the qualifying contract/order exceeds 12 months, an initial CPARS evaluation shall be prepared upon the completion of the 12 month base period and interim CPARS evaluation reports shall be prepared annually for each subsequent performance period.

(d) The HCA shall—

(1) Establish local policies and procedures, and a training program to ensure procedures for monitoring the timely completion of reports, report integrity, and overall administration of CPARS actions;

(2) Establish an ongoing review program to determine if contracting officials are submitting accurate, timely, and complete past performance evaluations.

(e) Under the direction of the HCA, the CPARS focal point and the AO shall prioritize assessments of contracts and orders that—

(1) Use high-risk vehicles, such as cost-reimbursement or time—and-materials type contracts;

(2) Are complex in nature, such as large software development and implementation, or

(3) Involve high dollar values, regardless of contract type.

(f) Contracting officers are responsible for the following—

(1) Ensuring all COR designation letters include the requirement for the COR to provide input for past performance evaluations, as appropriate; and

(2) Documenting performance issues promptly during the contract period of performance instead of waiting until the end of the performance period when critical details may have been forgotten.

(g) The COR may serve as an AOR at the discretion of the AO. Depending on the complexity of the contract there may be multiple AORs.

(h) The contracting officer shall report all instances of non-responsibility determinations, defective cost and pricing data, terminations for convenience, and terminations for default or cause through the Federal Awardee and Performance Integrity Information System (FAPIIS) (see [FAR 42.1503\(h\)](#)). Note: These actions require review by OGC in accordance with [VAAR part 801](#) and VAAM part M801.

(i) The contracting officer shall ensure that award fee determinations, when required by the contract, are reflected in the contractor's performance.

(j) Provide narratives supported by documentation that is reflective of the assigned rating, and should include the following—

(1) A level of detail and documentation that provides evidence and justifies a basis for the assigned rating;

(2) An explanation of how problems were resolved and the extent to which solutions were effective;

(3) Objective, fact based statements, and examples of the contractor's impact on improving or hindering Government performance; and

(4) If a subcontracting plan is required, an assessment of the contractor's performance against, and efforts to achieve, the goals identified in the small business subcontracting plan.